

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7386**

**BILL NUMBER: SB 353**

**DATE PREPARED:** Jan 12, 2001

**BILL AMENDED:**

**SUBJECT:** Gravel severance fee.

**FISCAL ANALYST:** Bernadette Bartlett

**PHONE NUMBER:** 232-9586

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill allows Putnam County to adopt a gravel severance fee. The bill allows Morgan County to adopt a gravel severance fee for Madison Township. It creates a gravel severance fee fund within each county adopting a gravel severance fee. Funds in the gravel severance fee fund must be used for transportation purposes.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** A gravel severance fee ordinance must specify a procedure for the collection of the gravel severance fee. This provision will increase local administrative expenses by a minimal amount. Local units should be able to absorb any additional costs given their current budgets.

The county treasurer administers the gravel severance fee fund. Money held in the fund must be used to meet the transportation needs of the township or county in which the gravel severance fee is imposed. Transportation needs may include road paving, installation and operation of lights, the purchase of rights-of-way, roadside landscaping, and any other transportation activity approved by the county executive.

**Explanation of Local Revenues:** The fee is \$0.10 per ton. The amount of revenue generated by the fee will depend on the amount of gravel removed.

For each county that adopts a gravel severance fee, a gravel severance fee fund is established. The fund consists of the gravel severance fees collected. The fund is a non-reverting fund.

The impact of the proposal will depend on local action.

**State Agencies Affected:**

**Local Agencies Affected:** Putnam and Morgan Counties.

**Information Sources:**